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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/522,481	03/10/2000	Edward J. Pinto	LR001	5694

25235 7590 03/25/2003

HOGAN & HARTSON LLP
ONE TABOR CENTER, SUITE 1500
1200 SEVENTEENTH ST
DENVER, CO 80202

EXAMINER

PWU, JEFFREY C

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 03/25/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/522,481

Applicant(s)

PINTO, EDWARD J.

Examiner

Jeffrey Pwu

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 1/2/2003 amendment.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

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DETAILED ACTION

1. This action is responsive to the application, filed 2000-03-10.
2. The disposition of claims is: claims 1-20 are pending as filed. Claims 1, 9, and 13 are independent.
3. The group art unit of the Examiner handling your case has changed. The new art unit is **3628**. Please use current art unit on all correspondence to help us route your case in a timely fashion.

Title

4. The title of the invention is not descriptive. A new title is required that is clearly indicative of the invention to which the claims are directed. The following title is suggested: System and methods for processing a secured collateral loan.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

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6. Claims 1-20 are rejected under 35 U.S.C. 102(b) as being anticipated over applicant disclosed prior art, *Norris* (US 5,870,721).

Norris teaches:

A system and method of processing a secured loan comprising:

accepting a loan application from a borrower, the loan application comprising at least the borrower's identity (col.5, line 60-col.6, line 7; col.8, lines 54-59), collateral identity (col.8, lines 54-59), and stated income of the borrower (col.7, line 67-col.8, line 9);

generating a credit request based upon the borrower's identity to obtain a credit report (it is inherent to use FICO or any trusted credit report system as a method of determining the likelihood that credit users will pay their bills), the credit report including credit information credit information and credit score information (16, col.6, lines 8-55; col.7, lines 10-37 ad 55-65);

accessing a property valuation database using the collateral identity (col.8, lines 54-55);

based upon the credit report, generating an approval of the property valuation from the database, generating a credit approval, and underwriting title of the identified collateral (col.6, lines 8-55; col.7, lines 10-37 ad 55-65);

based upon the credit report and the stated income of the borrower, generating an approval of the borrower's ability to repay the loan(col.6, lines 8-55; col.7, lines 10-37 ad 55-65);

based upon the credit , collateral, and the ability to repay approvals, generating loan documentation (col.6, lines 8-55; col.7, lines 10-37 ad 55-65; 16);

transmitting the loan documentation to the borrower (col.4, line 54-col.5, line 35); and

closing the loan (abstract; "A method and apparatus for closed loop, automatic processing a loan...").

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Response to Arguments

7. Applicant's arguments filed January 2, 2003 have been fully considered but they are not persuasive.

Applicant argues that the *Norris* reference does not teach "a mechanism for requesting and obtaining a credit report where the credit includes a credit score". However, *Norris* teaches, at col.3, lines 30-45:

"Information about the applicant is also obtained via electronic transfer of data to the computer from one or more databases, including those that provide name and address based on a caller's telephone number, and from credit bureaus that provide credit reports on an applicant given an applicant's name, a social security number and an address.

In a preferred embodiment, the computer capability of the present invention also contains evaluation criteria in the form of underwriting models, that are used to "score" the application; that is, to make a determination of whether to approve the application based on a computer analysis of factors deemed important in assessing the would-be borrower's ability and willingness to repay the loan and to quantify the risk of its not being paid." and Col.6, lines 45-60:

"The applicant's credit report is obtained from the credit bureau by transaction processor 10, evaluated using an underwriting model 90, to be described more fully below, and a decision is made based on the results of the evaluation by underwriting model 90, which results are in the form of a score and an associated risk factor, to grant or deny the loan or credit card application."

Norris' reference inherently shows a credit report using the FICO credit scoring system because it is the most frequently used credit scoring method in the credit bureau.

With respect to the argument that the *Norris* reference does not teach "generating an approval of the property valuation using the credit report and underwriting title of the identified

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collaterals using credit report. Handling the evaluation and underwriting title of the identified collateral is a significant feature of the of the secured loan processing mechanism”. Firstly, these limitations are basic principles of a loan evaluation and underwriting process. Secondly, *Norris* teaches “If the loan is to be secured by collateral, the collateral needs to be identified and its value determined. If the item being purchased can serve as collateral, that fact can be confirmed via communications processor 30 as well as the identity of the goods and their whereabouts and location of title or a bill of sale.” Therefore, *Norris*’ KIOSK or computerize loan processing system does show a method for evaluating a criteria in the form of underwriting models, that uses “score” to make determination of whether to approve a securitization collateral loan application and handling the evaluation and underwriting title of the identified collateral is a significant feature of the of the secured loan processing mechanism.

Conclusion

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

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☞ Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Jeffrey Pwu whose telephone number is (703) 308-7835

Jeffrey Pwu

A handwritten signature in black ink, appearing to read 'Jeffrey Pwu', written in a cursive style.

21 March 2003

**JEFFREY PWU
PRIMARY EXAMINER**